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2014 Medicaid Expansion Update

Fall 2012 MED Governance Conference

October 25, 2012

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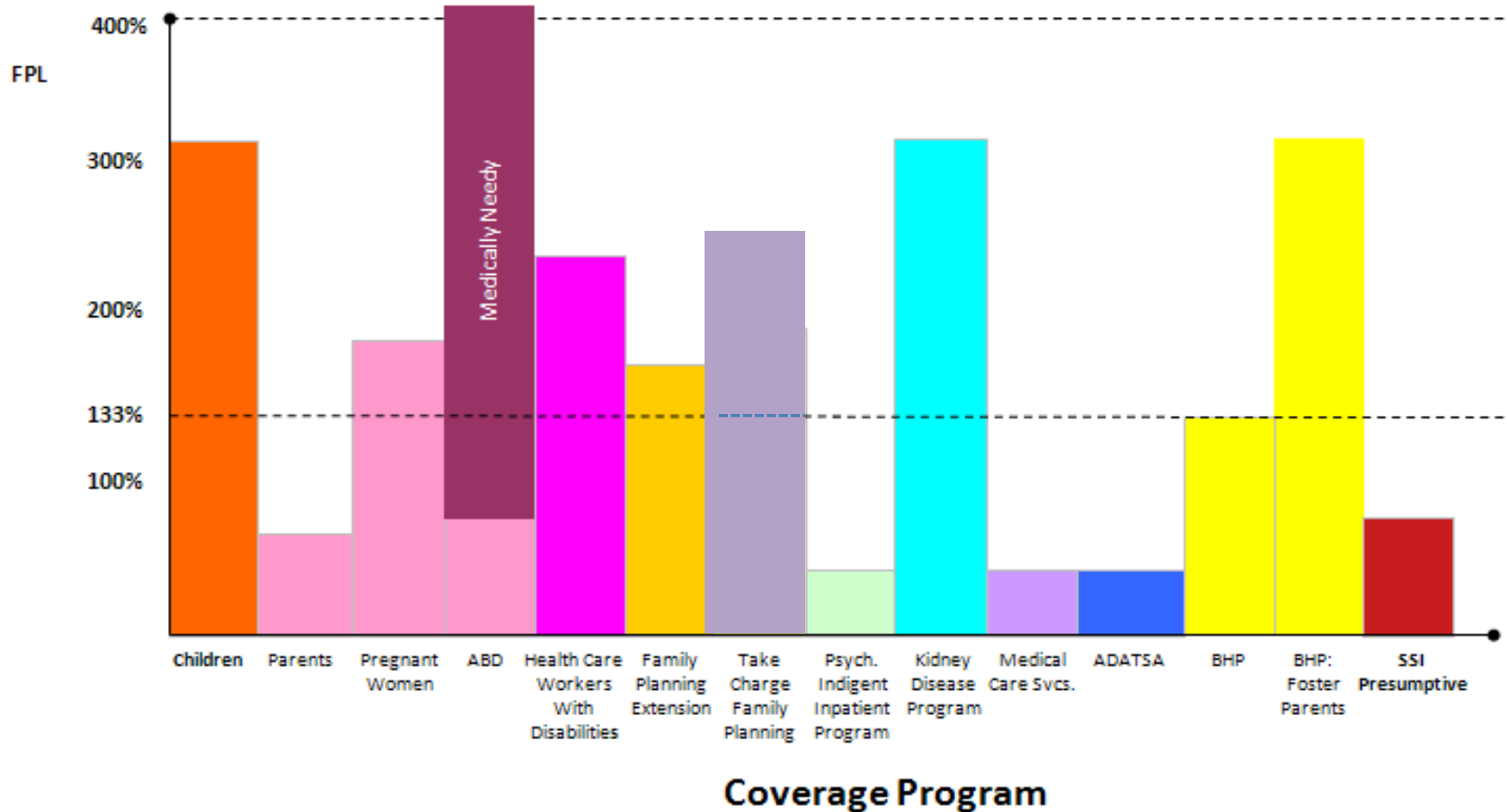
Today's Update

The ACA Coverage Continuum

Initial Estimates of Medicaid Expansion
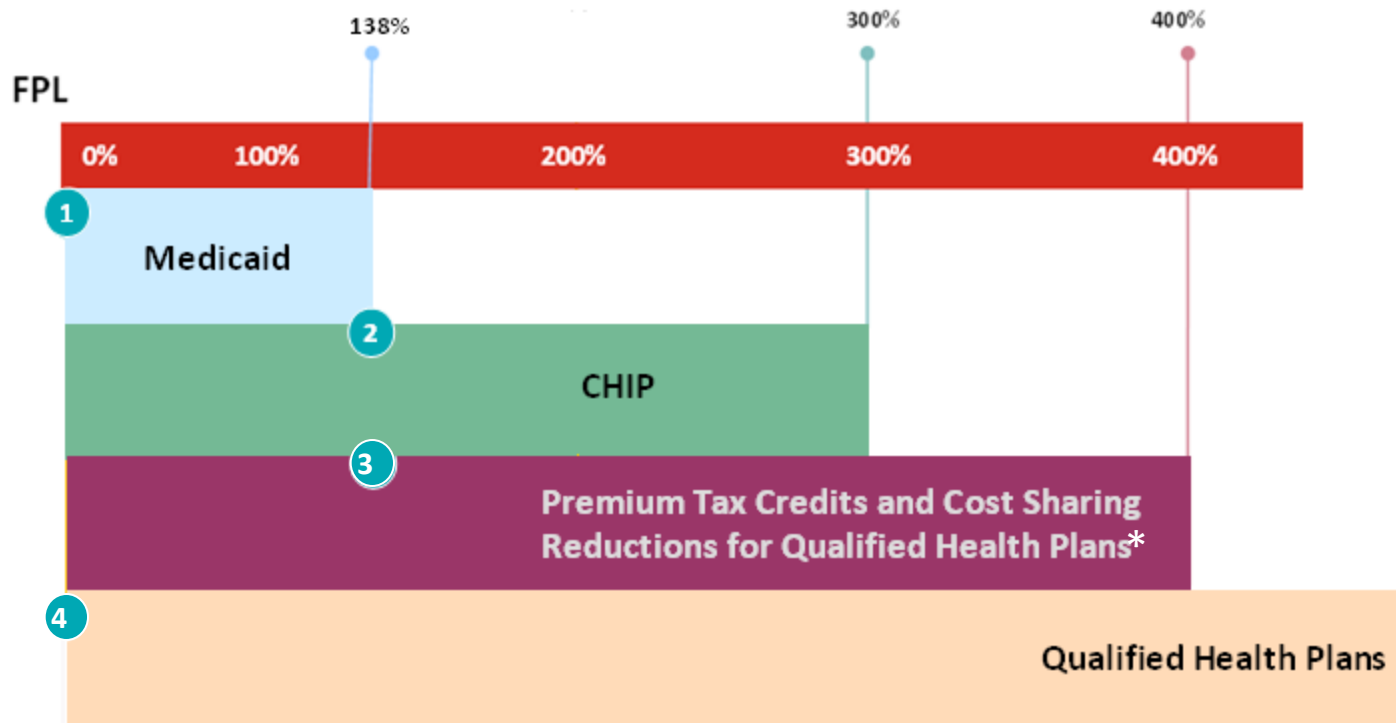
Policy Discussion

Timeline of Key Tasks

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The ACA Coverage Continuum

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Today's Washington State Landscape

2014 ACA Continuum of "Insurance Affordability Programs"

FPL

| 138% | 300% | 400% |

| 0% | 100% | 200% | 300% | 400% |

1 Medicaid

2 CHIP

3 Premium Tax Credits and Cost Sharing Reductions for Qualified Health Plans*

4 Qualified Health Plans

* Federal Basic Health Plan Option for individuals with incomes between 138% and 200% of the FPL will not be available in 2014.

Uninsured Groups Remain

- Undocumented immigrants

- Individuals exempt from the mandate who choose to not be insured (e.g., because coverage not affordable)

- Individuals subject to the mandate who do not enroll (and are therefore subject to the penalty)

- Individuals who are eligible for Medicaid but do not enroll

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Initial Estimates of Medicaid Expansion

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Initial Enrollment Modeling

- Washington contracted with Urban Institute to model estimates of potential enrollment impact

  ...as if the Affordable Care Act were fully implemented in 2011

- Analysis includes:

  - Characteristics of new Medicaid enrollees

    (e.g., age, health status, geographic location)

  - Projected eligibility counts

  - Projected enrollment & ramp-up

- Report available at:
  http://www.hca.wa.gov/hcr/resources.html

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Eligibility/Enrollment Projections

	N
Currently Enrolled	1,095,254
Potential New Enrollees	1,039,228
Currently Eligible, Not Enrolled[1]	544,921
Newly Eligible Under Reform	494,307
Projected New Enrollment [2]	328,221
Currently Eligible, Not Enrolled	77,913
Newly Eligible	250,308

~429,000 have private coverage and most will retain that coverage.

Welcome Mat
~11,000 uninsured adults
~18,500 uninsured children
~30,500 insured children
~18,000 insured adults

Source: UI Analysis of Augmented WA State Database
1. This estimate may be an overstatement. Our data represent a single point in time; crowd-out provisions and other aspects of eligibility that require knowledge of an applicant's history could not be modeled.
2. We simulate the Medicaid expansion as if fully implemented in 2011

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Health Status of Likely New Medicaid Enrollees
New Medicaid Enrollees Report Good Health Overall

	Eligibility of Projected New Enrollees					
	Currently Eligible, Not Enrolled		Newly Eligible		Total	
	N	%	N	%	N	%
Total	77,913	100.0%	250,308	100.0%	328,221	100.0%
Health Status						
Excellent - Good	58,726	75.4%	180,407	72.1%	239,133	72.9%
Fair - Poor	19,187	24.6%	69,901	27.9%	89,088	27.1%

Source: UI Analysis of Augmented WA State Database

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Health of New Medicaid Enrollees

- Most new Medicaid enrollees report good health, regardless of eligibility pathway

- Newly eligible new Medicaid enrollees (~98% adult) report better health than current adult Medicaid enrollees

  – 28% of new Medicaid enrollees are in fair/poor health versus 40% of current adult Medicaid enrollees

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Age of Likely Nonelderly Medicaid Enrollees

Newly Eligible New Enrollees are Almost All Adults

	Eligibility of Projected New Enrollees					
	Currently Eligible, Not Enrolled		Newly Eligible		Total	
	N	%	N	%	N	%
Total	77,913	100.0%	250,308	100.0%	328,221	100.0%
Age						
0 – 18 years	49,115	63.0%	5,512	2.2%	54,627	16.6%
19 - 24 years	2,400	3.1%	80,037	32.0%	82,437	25.1%
25 - 44 years	23,281	29.9%	75,553	30.2%	98,834	30.1%
45 - 64 years	3,117	4.0%	89,206	35.6%	92,323	28.1%

Source: UI Analysis of Augmented WA State Database

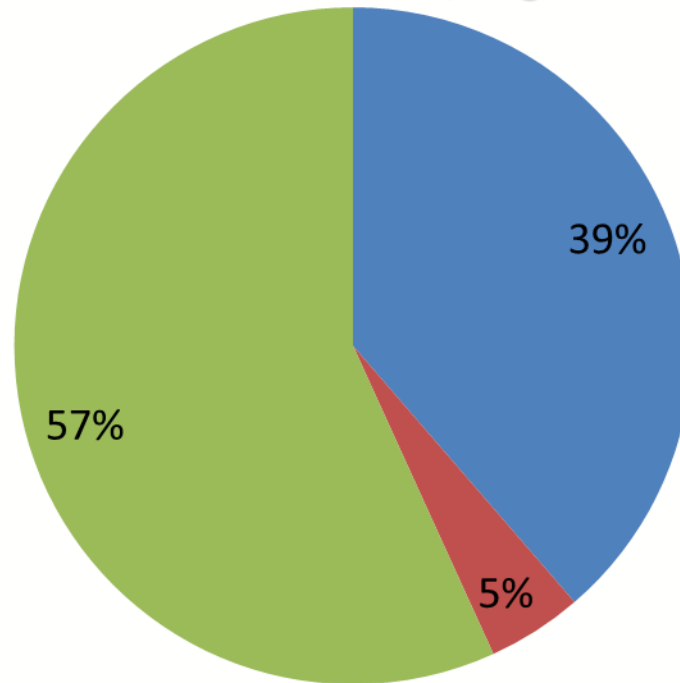Washington State
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Age of New Medicaid Enrollees

- Newly eligible new Medicaid enrollees are almost exclusively adults
  - Unsurprising given current generosity of children's Medicaid/CHIP coverage
- New outreach under health reform will encourage currently eligible yet not enrolled children to take up Medicaid
  - 63% of currently eligible new Medicaid enrollees are 18 or under

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Post-Reform Medicaid Enrollment of Nonelderly Adults
With Large Growth in Enrollment, Average Costs Decline

Reform: 633K Enrollees, Avg. Cost $7,293
(Baseline: 359K Enrollees, Avg. Cost $7,906)

39%

57%

5%

■ Newly Eligible   ■ Currently Eligible,   ■ Currently Enrolled
                      Newly Enrolled

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Policy Discussion

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Medicaid Expansion Goals

- Optimize opportunities to streamline administrative processes

- Leverage new federal financing opportunities to ensure the Medicaid expansion is sustainable

- Maximize use of technology to create consumer-friendly application/enrollment/renewal experience

- Maximize continuity of coverage & care as individuals move between subsidized coverage options

- Reform the Washington way --- comply with, or seek waiver from, specific ACA requirements related to coverage and eligibility, as needs are identified

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Key Questions

- **Budget** – what are the short and long-term implications of full/partial/no Medicaid expansion?

- **Opportunities for streamlining** – how can current processes and programs be effectively streamlined?

- **Benefit design for new adults** – what are the parameters for the Benchmark benefit package?

- **Whole family coverage/churn** – what options best support families whose circumstances change?

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Costs of Not Expanding Medicaid

Consumers

Individuals whose incomes are too high for Medicaid but too low for Premium Tax Credits (less than 100% of the FPL) will have no coverage options and no tax subsidies for purchasing health insurance

Providers

Hospitals will face not only the continued costs of providing uncompensated care, but also a reduction in federal disproportionate share hospital (DSH) funding

Employers

Employers will face new coverage obligations for individuals with incomes between 100% and 138% of the FPL; additionally, large employers will face a penalty if full-time employees in this income bracket obtain a premium tax credit through the Exchange
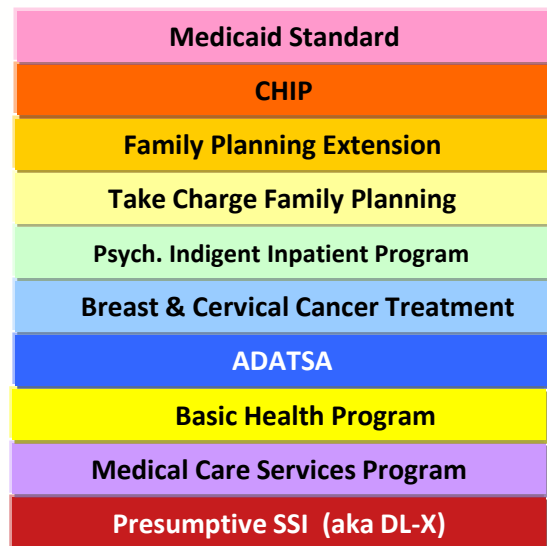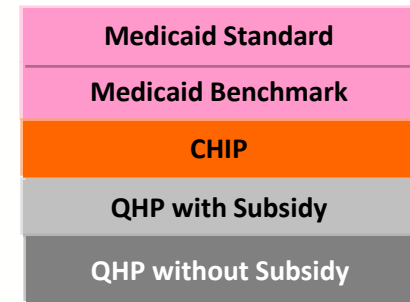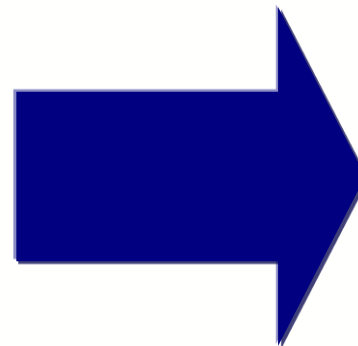
Exchange

Interfacing between State Medicaid programs and the Exchange will become very complex administratively, with many "hand-offs" and eligibility determinations conducted against a patchwork of existing state Medicaid categories with variable income levels

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ACA Opportunity to Streamline Programs

2014 Coverage Continuum through Insurance Affordability Programs

Medicaid Standard
CHIP
Family Planning Extension
Take Charge Family Planning
Psych. Indigent Inpatient Program
Breast & Cervical Cancer Treatment
ADATSA
Basic Health Program
Medical Care Services Program
Presumptive SSI (aka DL-X)

Medicaid Standard
Medicaid Benchmark
CHIP
QHP with Subsidy
QHP without Subsidy

Streamlining considerations – numbers affected, access/continuity of coverage through IAP continuum, administrative complexity, transition timing

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EHBs and Medicaid Benchmark Coverage

- State must identify an EHB reference plan for its Medicaid Benchmark

- If EHB reference plan does not cover all required EHBs, state must supplement

Standard BCBS PPO plan under FEHBP	Largest non-Medicaid commercial HMO in the state	Any generally available state employee plan	Any other coverage that HHS Secretary determines to be appropriate for the targeted population

Benchmark Reference Plan = EHB Reference Plan   **Designate EHB Reference Plan**

If Benchmark reference plan is FEHBP, HMO or state's employee plan, that plan is the EHB reference plan

If Benchmark coverage is implemented under Sec.-approved option, state must designate an EHB reference plan

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Benchmark Options

- Align Benchmark to Standard Medicaid benefits
  - Add Benchmark benefits to Standard
  - Add Standard benefits to Benchmark

- Offer different Medicaid benefit packages to different eligibility groups
  - Benchmark to new adult group
  - Medicaid Standard to children, pregnant women, low-income parents and aged / blind /disabled (ABD) individuals

- Offer two Benchmark benefit packages to new adult group
  - Healthy adult benefit package
    - Does not include long term care services
  - Medically Frail benefit package
    - Fully aligns with Medicaid Standard and includes long term care services
    - Includes long term care services but doesn't fully align to Medicaid Standard
  - Note, if Benchmark exemptions apply to new adult group, then State will be required to offer Standard benefits (with LTC services) to medically frail adults

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Whole Family Coverage/Churn Options

- Changes in circumstances cause churn across coverage

  (e.g., income, family or employment status, pregnancy, child birth)

- Differing eligibility levels potentially split families across different managed care plans and provider networks

  (e.g., children/pregnant mother in Medicaid, father in Exchange)

The Challenge = rationalizing and simplifying family coverage options

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Timeline of Key Tasks

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Timeline of Key Tasks: Much Work to be Done

June-Nov. 2012: System Detail Design for MAGI Medicaid eligibility/enrollment

May-Oct 2013:
→ Benchmark Benefit Design
→ Optional Programs Transition

Sep 2013: CMS Systems Certification

Oct 1 2013: Go Live.
Open enrollment begins. Medicaid applications accepted

Jan 1 2014: Medicaid coverage for newly eligible adults begins

2012   2013   2014

Aug-Dec, 2012:
Medicaid operational stakeholdering
→ Application Forms
→ Renewals Process
→ Quality Assurance
→ Client Letters

Nov 2012: Fiscal modeling/ Official Caseload Forecast Council projections

Jan-April 2013:
→ Legislative Session
→ WAC revisions
→ Initiate marketing & outreach campaign for Medicaid.
→ Complete System Development and Unit Testing by Feb 2013.
→ Primary Care provider rate increases go into effect Jan 1, 2013 through Dec 31, 2014.

Aug 2013: Complete System Performance and Operational Readiness Testing

Dec 31, 2014: Conversion to MAGI Medicaid complete for all eligible enrollees

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More Information

- ## Webinars & presentations around the state
  - See upcoming schedule & past events at:
    - http://www.hca.wa.gov/hcr/me/stakeholdering.html

- ## Listserv notification
  - To automatically receive information and stakeholdering notices subscribe at:
    - http://listserv.wa.gov/cgi-bin/wa?SUBED1=HCA-STAKEHOLDERS&A=1

- ## Main HCA web-site: http://www.hca.wa.gov/
  - For information about the Medicaid expansion:
    - http://www.hca.wa.gov/hcr/me
  - To contact us on the Medicaid expansion:
    - medicaidexpansion2014@hca.wa.gov

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